

# **Regionalization of the Department of the Navy's Civilian Personnel Management**

Federico E. Garcia • Allen R. Zeman

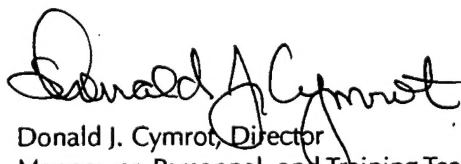
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<b>13. ABSTRACT (Maximum 200 Words)</b> During the 1990s the Department of Defense set out on a path to reengineer many of its functions in order to reduce cost and improve efficiency. In 1993, in the area of civilian personnel management, the Office of the Secretary of Defense took the lead in coordinating a Defense-wide effort to reduce the number of personnelists - the staff that provides and manages civilian personnel services - to a servicing ratio (personnelists per civilian employee) of 1:85 by the end of FY99, and of 1:100 by the end of FY01. At the beginning of FY95, the servicing ration stood at 1:67. Real reductions are forthcoming for the civilian personnel management world. By the end of FY01, personnel management resources will be reduced by over 40 percent. Consolidation of operations and technical modernization will accompany the resources reduction. Personnel services delivery will be split into small onsite units and offsite hubs. We consider the DoN s proposed regional consolidation of the system of civilian personnel management. We ask: By the end of FY99, will efficiency increase as expected?				
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## Summary

### Background

During the 1990s the Department of Defense set out on a path to reengineer many of its functions in order to reduce cost and improve efficiency. In 1993, in the area of civilian personnel management, the Office of the Secretary of Defense (OSD) took the lead in coordinating a Defense-wide effort to reduce the number of personnelists—the staff that provides and manages civilian personnel services—to a servicing ratio (personnelists per civilian employee) of 1:85 by the end of FY99, and of 1:100 by the end of FY01. At the beginning of FY95, the servicing ratio stood at 1:67.

Real reductions are forthcoming for the civilian personnel management world. By the end of FY01, personnel management resources will be reduced by over 40 percent. Consolidation of operations and technical modernization will accompany the resources reduction. Personnel services delivery will be split into small onsite units and off-site hubs.

We consider the Department of the Navy (DON)'s proposed regional consolidation of the system of civilian personnel management. We ask: By the end of FY99, will efficiency increase as expected?

Currently, human resources offices are located near every center of civilian employees, and many of them have satellite offices. Inefficiency prevails in the DON's civilian personnel management world. In many cases, several human resources offices are near each other—within a short driving distance—and they all have staff on their payroll to provide the same services.

Under the new arrangement, operating offices and their satellites will be disestablished. The onsite offices will become customer service units (CSUs) that will continue to provide management advisory and face-to-face “retail” personnel services.

There will also be offsite, "wholesale" offices that will be called regional service centers (RSCs). The DON is currently funded for eight RSCs: six within the continental United States, one in the Pacific, and one in Europe. The RSCs will perform mainly back room processing and expert support for the CSUs.

Major process innovations, referred to as "functional process improvements" (FPIs), will be implemented. FPIs include the automating of applications, which should prevent processing delays and dramatically reduce paperwork. The gradual upgrading of the computer hardware and the introduction of new software should bolster efficiency at the personnel offices.

Funding for the regionalization and systems modernization initiatives is \$70.4 million (for FY95 through FY01). Of this sum, \$6.0 million is available in FY95.

Under the auspices of the Assistant Secretary of the Navy for Manpower and Reserve Affairs, 55 personnel specialists and line managers representing DON commands met in May 1995. Based on a set of business rules, participants agreed on a total workload shift that should result in a split of about 60 percent at the RSCs and 40 percent at the CSUs. Conference participants also agreed to eliminate functions that are no longer necessary to serve employees properly or that personnel offices no longer perform but that require oversight and paper handling.

## Findings

The DON's civilian personnel management appears to be in a better position to reach the efficiency goal of the regionalization effort than that in the entire DOD. Compared to the typical DOD-wide civilian personnel office, the DON's typical office tends to serve a larger client base, have a larger staff, and have a higher servicing ratio.

Within the DON, large civilian personnel offices are more efficient than the smaller ones. In particular, larger offices have a higher servicing ratio and operate at a lower average cost.

Using regression analysis, we found evidence of ample economies of scale. We estimated that consolidation yields a workload savings of 20 percent.

At the beginning of FY95 the DON's servicing ratio stood at 1:67; that is, on average, each personnelist served 67 clients. A concrete objective is to reach a servicing ratio of 1:85 by the end of FY99. Will this be possible? *Yes*. By our calculations, the elimination of functions, economies of scale, and functional process improvements should lift the servicing ratio to 1:97 by the end of FY99.

If no cuts in personnel management staff were made, the civilian end-strength reduction would lower the servicing ratio from 1:67 at the beginning of FY95 to 1:61 at the end of FY99. We calculate that, in conjunction with the staff reduction allowed by the client drawdown, elimination of functions and economies of scale should increase the servicing ratio from 1:67 to 1:86 during this time. Thus, the elimination of functions and economies of scale would bring about the desired efficiency level. FPIs should add to the elimination of functions and economies of scale and bolster the servicing ratio to 1:97 by the end of FY99.

We estimate the five-year overall staff reduction resulting from the downsizing in civilian endstrength, the elimination of functions, economies of scale, and the FPIs to be 1,366. The personnelist end-strength should decrease from 3,659 at the beginning of FY95 to 2,293 at the end of FY99.

The 5-year salary savings from the regionalization (FY95–FY99) should total \$106 million. Economies of scale at the RSCs should be the largest contributor to the salary savings, followed by FPIs and the elimination of functions.

## **Beyond this reorganization**

Although the switch from a single- to a dual-tier system is in itself a considerable undertaking, more changes may be in store for DOD's civilian personnel operations.

Besides being regionalized and automated, what does the future civilian personnel system look like? Most of the personnelists will work at the regional service centers, away from any day-to-day contact with their clients. Advances in video communications links should make interaction between personnelists in the regional service centers and the on-site offices much easier. Also, technology could be introduced to allow civilian employees to do some of the personnel services themselves, such as changing their benefits package. Finally, because the servicing ratio will vary less across DON claimants, there will be less opportunity for the "rich Navy, poor Navy" contrast.



# **Introduction**

## **Downsizing of civilian personnel management**

During the 1990s the Department of Defense set out on a path to reengineer many of its functions in order to reduce cost and improve efficiency. In 1993, in the area of civilian personnel management, OSD took the lead in coordinating a Defense-wide effort to reduce the number of personnelists—the staff that provides and manages civilian personnel services—to a servicing ratio (personnelists<sup>1</sup> per civilian employees) of 1:85 by the end of FY99, and of 1:100 by the end of FY01. At the beginning of FY95 the servicing ratio stood at 1:67.

Real reductions are forthcoming for the civilian personnel management world. By the end of FY01, personnel management resources will be reduced by over 40 percent. Consolidation of operations and technical modernization will accompany the resources reduction. Personnel services delivery will be split into small onsite units and off-site hubs. We may think of this split as retail and wholesale operations, respectively.

We consider here the Department of the Navy's proposed regional consolidation of the system of civilian personnel management. By the end of FY99, will efficiency increase as desired?

## **Current civilian personnel management**

Currently, human resources offices are located near every center of civilian employees. There are 55 human resources offices in the continental United States and 16 overseas. Furthermore, many human resources offices have satellite offices. Main offices and their satellites currently provide the full range of personnel services.

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1. In defining "personnelists," we follow the OSD convention of including staff who work in the field as well as in headquarters.

The staff of the human resources offices perform the following functions (appendix A contains a detailed explanation of the duties):

- Administration of
  - Technical and administrative services
  - Personnel actions
  - Employee development
  - Classification program
  - Staffing program
  - Labor management relations
  - Employee relations
  - Employee services
  - Entitlement programs
  - Drug testing
  - Activities of equal employment opportunity program
- Mobilization planning
- Participation in activity management
- Special requests and inquiries
- Management of
  - The personnel office
  - Alternate personnel system
  - Senior Executive Service program.

Each of the DON's human resources offices provides services to employees from an average of six different claimants. Virtually all of the human resources offices (the exception is NAVSEA) provide

services to their own employees as well as to those of nearby civilian offices.<sup>2</sup>

Inefficiency prevails in DON's civilian personnel management world. In many cases, several human resources offices are near each other—within driving distance—and they all have staff on their payroll to provide the same services.

## **The new civilian personnel management**

The new civilian personnel management system, approved by the Assistant Secretary of the Navy for Manpower and Reserve Affairs, will have two components—one for the retail and another for the wholesale services. Funding for the regionalization and systems modernization initiatives is \$70.4 million (for FY95 through FY01). Of this sum, \$6.0 million is available in FY95.

The new arrangement will disestablish operating offices and their satellites. The onsite offices will become customer service units (CSUs), which will continue to provide face-to-face personnel services.

There will also be off-site offices that will be referred to as regional service centers (RSCs). The DON is currently funded for eight RSCs: six within the continental United States, one in the Pacific, and one in Europe. Each CSU will coordinate operations with only one RSC.

The Pacific region is scheduled to become operational in FY95. In FY96 the eastern RSC will stand up in the Tidewater, Virginia, and North Carolina area, along with the northwestern RSC. Two more each year will stand up in FY97 and FY98. Conceptually, the specific sites of these other RSCs will be determined primarily by the size of

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2. The major claimants are: NAVSEA, NAVAIR, ONR, NAVEUR, USMC, Lant Flt, Pac Flt, SPAWAR, CNET, NAVSUP, CNO, CNR, NAVFAC, BUMED, BUPERS, NCTC, and NAVOCEANO. Most claimants have their employees serviced by human resources offices in their own agencies and in those of other agencies. Some claimants, however, have all of their employees serviced only by personnel offices they own, such as ONR and NAVEUR; a few others own no personnel office at all, such as NAVOCEANO.

the civilian client populations and the cost of establishing and maintaining the centers.<sup>3</sup>

To a large extent, duplicate staff will disappear, and economies of scale should arise at the RSCs. The RSCs will perform mainly back room processing and expert support for the CSUs.

Major process innovations, referred to as "functional process improvements" (FPIs),<sup>4</sup> will be implemented. They will substitute standard, automated applications for the current, mainly manual personnel processes. The gradual upgrading of the computer hardware and the introduction of new software should bolster efficiency at the personnel offices.

The modernized civilian personnel process will provide a single, integrated civilian personnel information system that will improve interoperability. It will also provide the communications network to allow different offices to share information. FPIs should prevent processing delays and dramatically reduce paperwork.<sup>5</sup>

All of the personnel operations will require a partnership between CSUs and RSCs. Even the most simple request for information out of an employee's file will originate at the CSUs. Almost all advisory functions performed by the onsite CSU personnelists will require some support by the RSC staff.

Commands will continue to manage the CSUs—the consolidation will not affect the decision-making authority of the civilian or military manager over the civilian workforce. In the DON, an office under the direction of the Deputy Assistant Secretary of the Navy for Civilian

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3. The Europe RSC has already been established in London, but it services only 10 percent of the number of employees in a typical continental United States region and was established independently from the current reorganization.

4. Functional process improvements are also known as "business process improvements."

5. FPI software consists of ten modules known as: PERSACTION, ASF, UC, IC, RETIRE, CIVCOST, COREDOC, RIF, TRAIN, and STAIRS.

Personnel Policy and Equal Employment Opportunity will manage the transition to the new system. It will also provide general oversight for the RSCs.

## **Conference of personnel specialists and line managers**

Under the auspices of the Assistant Secretary of the Navy for Manpower and Reserve Affairs, 55 personnel specialists and line managers representing DON commands met in Leesburg, Virginia, May 16 through 18, 1995. They recommended a specific realignment of functions from current personnel offices to RSCs and CSUs. The shift of personnel functions to the RSCs should save resources and help achieve the target servicing ratio.

Based on a set of business rules,<sup>6</sup> participants agreed on a total workload shift that should result in a split of 59 percent at the RSCs and 41 percent at the CSUs.<sup>7</sup> Examples of functions that will be performed at RSCs include maintenance of files and records and planning and delivery of workforce training. Examples of functions that will be performed at CSUs are labor relations negotiations and counseling on incentive programs.

Conference participants also agreed to eliminate functions that are no longer necessary to serve employees properly or that personnel

6. Personnel specialists and line managers at the conference shifted functions to RSCs if they did not violate ten business rules that seek to preserve integrity of the services and their administration. The business rules were: (1) Will it decrease quality of customer service? (2) Will it require face-to-face interaction with customers? (3) Will it significantly increase turnaround time? (4) Will it significantly increase the complexity level? (5) Will it be too costly? (6) Will it require in-depth knowledge of the installation? (7) Will it duplicate effort? (8) Will it degrade regulatory compliance? (9) Will it require on-time processing? (10) Will it increase the line manager's workload and costs?
7. The actual functional split was: 56.7 percent at RSCs, 39.5 percent at CSUs, and 3.7 percent to be eliminated [1]. Thus, of the 96.3 percent of workload that is not to be eliminated, 59 percent (56.7 over 96.3) will be performed at RSCs, and 41 percent (39.5 over 96.3) will be performed at CSUs.

offices no longer perform but that require oversight and paper handling. Examples of functions that will be eliminated include drug testing, creation of position descriptions, and management of quality of work life programs. The workload savings resulting from the elimination of those functions amounts to 4 percent of the total workload [1].<sup>8</sup> This elimination of functions should help achieve the efficiency level and savings desired.

## Analytical approach

### Method

We use a spreadsheet model to project the servicing ratio and salary savings (see appendix B). For each of the first 5 years of the regionalization (FY95–FY99), we calculate the personnel reduction allowed by the reduction in the civilian endstrength (so that the system operates with the same servicing ratio). We then separately calculate the total staff reduction allowed by the elimination of functions, economies of scale, and functional process improvements. Finally, we calculate the salary savings and servicing ratio stemming from the staff reduction.<sup>9</sup>

The model incorporates the following:

- The stand-up schedule of RSCs (one in FY95, and two each year in FY96 through FY98)
- The reduction in the number of civilian employees served by the DON (from 265,606 in FY95 to 222,383 by the end of FY99 [3])
- *Four* percent workload savings resulting from the elimination of functions

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8. Conference participants suggested eliminating: administration of leave programs, quality of work life, and beneficial suggested programs; also, administration of drug testing and creation of position descriptions.

9. The establishment of the RSC–CSU organizational structure may lead to other costs that might reduce the net savings. Such costs could include increased separation incentives, severance pay, and training investments.

- *Twenty* percent workload savings at the RSCs resulting from economies of scale (see estimation of economies of scale in the next section)
- *Eleven* percent workload savings due to FPIs (phased in 20 percent each year reflecting the schedule to introduce software and upgrade computers)<sup>10</sup>
- Salary savings from the personnelist reduction at their average pay (price-inflated annually using OSD inflation estimates).<sup>11</sup>

## Caveats

We apply efficiency estimates from a single-tier production system that is not purely applicable to the future two-tier system. The client base of any RSC will be much greater than that of the average human resources offices today. Nevertheless, the largest office today has a staff of about 220, while staff at the regional service centers will be about 200.

## Data

We draw our data from the Defense Civilian Personnel Data System for the DON's human resources offices. Unless we note otherwise, our estimates are based on 30 September 1994 data. We also use the results of an April 1995 Office of Civilian Personnel Management data call, in which personnel offices reported how they distribute their staff workload among the different personnel functions. Appendix C contains the names and locations of the human resources offices along with their staff size, number of clients, and servicing ratio.

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10. The Logistics Management Institute estimated the FPI workload savings by measuring the time improvements of the FPI modules over the old processes [1].

11. An underlying assumption is that the price-adjusted average salary will not change.

## Findings

We present the findings around the following issues:

- Comparison of DON's civilian personnel management to those in all services
- Economies of scale
- Projection of
  - servicing ratio
  - salary savings.

### The DON's starting position

The DON's civilian personnel management system is in a better position to reach the efficiency goal of regionalization than that in the entire DOD. As table 1 shows, compared to the typical DOD-wide civilian personnel office, the DON's typical office tends to:

- Serve a larger client population
- Have a larger staff
- Have a higher servicing ratio.

Table 1. Comparison of typical civilian personnel office in the Department of the Navy with those DOD-wide<sup>a</sup>

Average	DON	All services
Number of clients served	4,008	2,345
Number of personnelists	66	57
Servicing ratio	1:62	1:57

a. Based on 30 September 1993 data.



## Economies of scale

Within DON, larger civilian personnel offices are more efficient than the smaller ones. Sorting the current human resources offices by size, we see that larger offices have a higher servicing ratio and operate at a lower cost (table 2).

Table 2. Office size and efficiency

Offices (in thirds)	Number of clients	Servicing ratio	Average cost <sup>a</sup>
Largest	7,289	1:76	\$544
Middle	3,765	1:68	\$693
Smallest	2,038	1:64	\$762

a. Based on offices with cost information available (85 percent of total).

We estimated economies of scale by regression analysis. We modeled the demand for staff as a function of the number of clients served—personnel offices minimize cost given a level of demand for their services. The natural logarithm of the number of billets filled (staff) was the dependent variable, whereas the natural logarithm of the number of clients was the explanatory variable. We found evidence of ample economies of scale. The estimate of the slope coefficient was 0.80; that is, consolidation yields 20 percent workload savings due to economies of scale.<sup>12</sup>

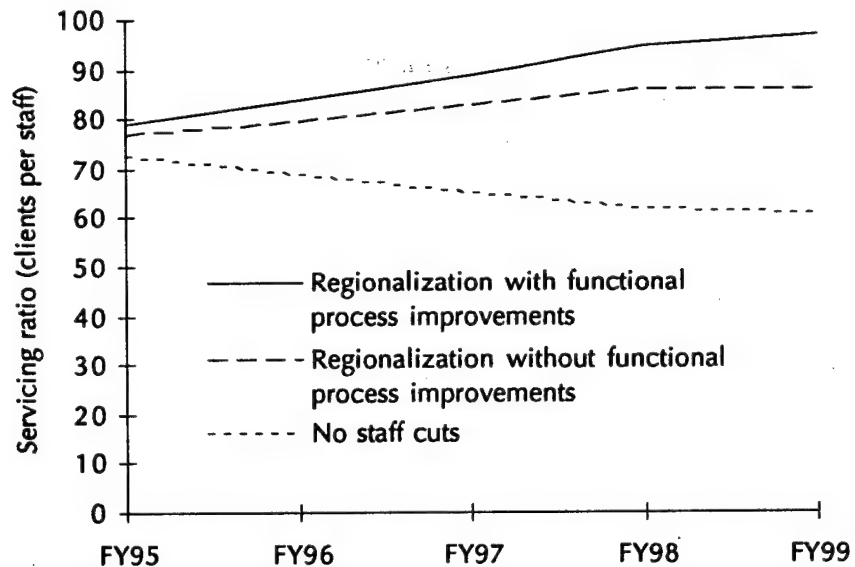
## Servicing ratio projection

At the beginning of FY95, the DON's servicing ratio stood at 1:67; that is, on average, each personnelist served 67 clients. A concrete objective is that at the end of FY99 the servicing ratio reaches the 1:85 level. Will this be possible? Yes. By our calculations, the reduction in staff allowed by the civilian endstrength reduction along with elimination of functions, economies of scale, and functional process

12. CNA studies of consolidation of shipyards, depots, and communication facilities estimate economies of scale of a similar magnitude [2].

improvements should lift the servicing ratio to 1:97 by the end of FY99 (figure 1).<sup>13</sup>

Figure 1. Servicing ratio projection<sup>a</sup>



a. We show the effect of economies of scale and functional process improvements separately for illustrative purposes. The regionalization of civilian personnel management would not be possible without some degree of automation and the establishment of a communications network between the onsite and offsite offices.

If no cuts in staff were made, the reduction in the client base would lower the servicing ratio from 1:67 at the beginning of FY95 to 1:61 at the end of FY99. With regionalization, however, as some functions are eliminated and many are moved to the RSCs, efficiencies should

13. We follow DOD's conventional practice of excluding equal employment opportunity personnelists (GS-260 series) in the computation of the servicing ratio. We should note that within the DON the equal employment opportunity function at the operating level will be split between the RSCs and the CSUs.

emerge. By the end of FY99, almost 60 percent of the workload will be at the RSCs, and by then the economies of scale will be fully captured.

We calculate that, in conjunction with the reduction in staff allowed by the civilian endstrength drawdown, elimination of functions and economies of scale should increase the servicing ratio from 1:67 to 1:86. Thus, the elimination of functions and economies of scale would bring about the desired efficiency level.

FPIs should add to the effects of the elimination of functions and economies of scale and bolster the servicing ratio to 1:97 by the end of FY99. The effect of FPIs will be small in the early years of the regionalization effort, but will increment gradually through FY99 as computers are replaced and upgraded.

We estimate the 5-year overall staff reduction resulting from the downsizing in civilian endstrength, the elimination of functions, economies of scale, and the FPIs to be 1,366. The personnelist endstrength should decline from 3,659 at the beginning of FY95 to 2,293 at the end of FY99.

## **Salary savings projection**

We project the salary savings from the regionalization by considering the expected reductions in payroll. The salary savings from economies of scale will increase gradually as the RSC stand-up schedule unfolds (see figure 2). Likewise, the savings from FPIs will increase gradually as software is introduced and computers are upgraded. The 5-year salary savings from the regionalization (FY95–FY99) should total \$106 million (table 3). Economies of scale at the RSCs should be the largest contributor to the salary savings, followed by FPIs and the elimination of functions.

Figure 2. Salary savings projection

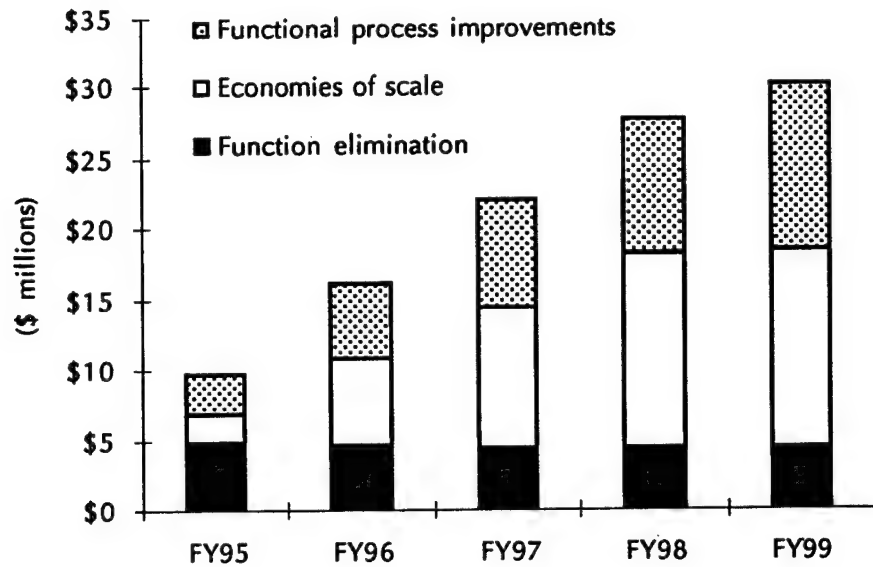


Table 3. Total five-year salary savings (FY95–FY99)

Source	Salary savings (\$ millions)
Economies of scale	46
Functional process improvements	37
Elimination of functions	<u>23</u>
Total	106

## Conclusion

Our key finding is that regional consolidation of some personnel services will increase the efficiency of the DON's civilian personnel management system beyond the mandated level. However, we did not examine the operational considerations of the consolidation.

## Criteria to determine success of regionalization

The following factors will likely determine the operational success of the new system:

1. *Working relationship between RSC and CSUs.* A sound working relationship between regional service centers and customer service units should be the single greatest determinant of the success of the regionalization effort. Virtually all operations will require an effective partnership between RSCs and CSUs. The effectiveness of the working relationship may be measured by the number of contacts required to resolve a personnel action.
2. *Quality of service.* A challenge to the regionalization undertaking is to maintain quality of service with declining resources. The following indicators may be used to measure quality of service: the percentage of actions that meet deadline, accuracy of pay and benefits actions, and the number of complaints for inadequate service.
3. *Service timeliness.* The time between inquiry and receipt of a response or resolution may be used to measure whether the services are provided in a timely manner.
4. *Level of standardization.* Greater level of service standardization ensures that each customer receives a similar level of service.
5. *Accountability.* Local commands must ensure that the RSCs are accountable to the CSUs.

## Beyond this reorganization

Our findings show that the cut in civilian personnel management resources can be achieved with a new delivery structure and the combined effects of economies of scale, automation, and better business practices. While the switch from a single- to a dual-tier system is in itself a considerable undertaking, more changes may be in store for the DOD civilian personnel operations.

Besides being regionalized and automated, what does the future civilian personnel system look like? Most of the personnelists will work at the regional service centers, away from any day-to-day contact with their clients. Advances in video communications links should make interaction between personnelists in the regional service centers and the on-site offices much easier. Also, technology could be introduced to allow civilian employees to do some of the personnel services themselves, such as changing their benefits package. Finally, because the servicing ratio will vary less across DON claimants, there will be less opportunity for the "rich Navy, poor Navy" contrast.

## Appendix A: Duties and responsibilities of personnelists

Table 4. Personnel management and industrial relations group<sup>a</sup>

Series	Title	Duties and responsibilities
GS-201	Personnel management series	Directing or assisting in directing a personnel management program; advising on, supervising, performing, or providing staff leadership and technical guidance for work that involves two or more specialized personnel functions; performing specialized personnel management work not covered by other series in this group.
GS-203	Personnel management and assistant series	Supervising, leading, or performing clerical work; limited technical work requiring knowledge of one or more civilian personnel management specialties such as staffing, employee relations, and classification.
GS-212	Personnel staffing series	Performing technical work in recruitment, examination, selection, or placement of employees.
GS-221	Position classification series	Classifying positions; establishing and maintaining position classification plans.
GS-223	Salary and wage administration series	Administering, supervising, or performing work directly involved in (1) determining salary or wage rates or (2) salary or wage administration.
GS-230	Employee relation series	Establishing and maintaining employer-employee relationships; providing guidance to management and employees on employee relations matters and advising on grievances and appeals, adverse actions, employee discipline, and related matters.
GS-233	Labor relations series	Establishing and maintaining relationships with labor organizations; negotiating and administering labor agreements and otherwise conferring with labor organizations on behalf of management.
GS-235	Employee development series	Planning, administering, supervising, or evaluating a program designed to train and develop employees.
GS-260	Equal Employment Opportunity series	Developing, administering, evaluating, or advising on the Equal Employment Opportunity program.
GS-299	Personnel management student trainee series	Involves periods of pertinent formal education and periods of employment.

a. Source: [4].

## Appendix B: Spreadsheet model

Table 5. Projection of servicing ratio and salary savings

	End of fiscal year				
	1995	1996	1997	1998	1999
Number of clients <sup>a</sup>	265,606	251,642	237,955	227,139	222,383
Workload transferred to RSCs (%)	0.08	0.25	0.42	0.59	0.59
Staff allowed by client downsizing <sup>b</sup>					
Total	3,638	3,447	3,260	3,111	3,046
CSU	3,332	2,577	1,888	1,279	1,252
RSC	306	870	1,371	1,833	1,794
Staff allowed by client downsizing and function elimination					
CSU	3,209	2,482	1,818	1,232	1,206
RSC	295	838	1,321	1,765	1,728
Staff allowed by client downsizing, function elimination, and EOS <sup>c</sup>					
CSU	3,209	2,482	1,818	1,232	1,206
RSC	236	670	1,057	1,412	1,382
Assumed workload reduction due to FPIs (%) <sup>d</sup>	0.02	0.05	0.07	0.09	0.11
Staff allowed by client downsizing, function elimination, EOS, and FPIs					
CSU	3,136	2,369	1,695	1,120	1,069
RSC	231	640	985	1,284	1,226
Staff reduction allowed by function elimination, EOS, and FPIs					
Total CSU	196	208	193	159	183
Total RSC	76	230	387	548	568
Overall	272	438	580	707	751
Average staff pay (\$ inflation-adjusted)	35,952	36,994	38,103	39,247	40,425
Salary savings (\$ millions)					
Function elimination	4.84	4.72	4.60	4.52	4.56
EOS	2.12	6.20	10.06	13.85	13.97
FPIs	2.80	5.27	7.43	9.38	11.82
Function elimination, EOS, and FPIs	9.76	16.19	22.09	27.75	30.35



Table 5. Projection of servicing ratio and salary savings (continued)

	End of fiscal year				
	1995	1996	1997	1998	1999
Servicing ratio					
If no staff cuts were made	73	69	65	62	61
With client downsizing, function elimination, and EOS	77	80	83	86	86
With client downsizing, function elimination, EOS, and FPIs	79	84	89	94	97

a. From [3].

b. To maintain initial servicing ratio.

c. Economies of scale.

d. Functional process improvements.

## Appendix C: Current human resources offices

Table 6. Current human resources offices: location, civilian personnel served, number of personnelists, and efficiency (as of 30 September 1994)<sup>a</sup>

Identification number	Name and location	Number of clients	Staff	Servicing ratio
1972	NAVTRGSYSSEN ORLANDO FL	1,867	39	48
2001	MSCLANT BAYONNE NJ	2,184	54	40
2006	MCB CAMP LEJEUN NC	2,186	28	78
2023	MARCORPSLOGBASE BARSTOW CA	2,471	35	71
2090	NAVWEPSSTA YORKTOWN VA	3,427	61	56
2098	NAVPOSTGRADSCH MONTEREY CA	1,369	24	57
2114	CCPO WASHINGTON DC	7,749	127	61
2117	NSC NORFOLK VA	1,981	26	76
2156	NAS KEFLAVIK IC	826	16	52
2161	NRL WASHINGTON DC	5,290	93	57
2169	NAS BERMUDA BD	266	6	44
2177	SPCC MECHANICSBU PA	4,338	49	89
2179	NAS PENSACOLA FL	9,203	220	42
2181	ASO PHILADELPHI PA	2,824	34	83
2256	NAWCWPNS POINT MUGU CA	8,340	103	81
2265	NAVSHIPYDPS BREMERTON WA	10,628	78	136
2267	HRO NORFOLK VA	7,043	120	59
2270	MARCORPSLOGBASE ALBANY GA	2,727	32	85
2271	NAS JACKSONVILL FL	9,405	105	90
2299	NAVAIRWARCENACD PATUXENT RI MD	11,356	168	68
2330	NAVSHIPYD CHARLESTON SC	3,976	46	86
2336	NAVUNDSEAWARCEN KEYPORT WA	2,751	35	79
2348	CCPO NEW ORLEANS LA	3,110	70	44
2358	NAVSTANAVBASE GUANTANAMO CU	700	12	58
2360	NAVSHIPYD PORTSMOUTH NH	4,598	53	87
2361	NAVSURFWARCENDI INDIAN HEAD MD	2,712	28	97
2370	NAVAVNDEP ALAMEDA CA	2,425	40	61
2396	MCBASE CAMP PENDLE CA	3,500	66	53
2407	NAVUNSEAWARCEND NEWPORT RI	3,308	46	72
2408	NAVSHIPYD PHILADELPHI PA	4,973	59	84
2409	MCAS CHERRY POIN NC	5,969	75	80
2411	ASSTFORADMINUND WASHINGTON DC	3,797	156	24

Table 6. Current human resources offices: location, civilian personnel served, number of personnelists, and efficiency (as of 30 September 1994)<sup>a</sup> (continued)

Identification number	Name and location	Number of clients	Staff	Servicing ratio
2415	NAVSHIPYDMI VALLEJO CA	3,967	52	76
2427	MSCPAC OAKLAND CA	2,253	51	44
2428	CBC PORT HUENEM CA	2,364	42	56
2430	NASNORTHISL SAN DIEGO CA	6,345	87	73
2431	NAVSHIPYD PEARL HARBO HI	4,389	46	95
2434	NAVWEPSSTA SEAL BEACH CA	3,539	57	62
2446	NAS SIGONELLA IT	734	10	73
2487	PWC OAKLAND CA	4,048	64	63
2489	NAVSHIPYD LONG BEACH CA	3,086	43	72
2494	NSWC CARDEROCK BETHESDA MD	4,166	54	77
2495	PWC PEARL HARBO HI	4,908	74	66
2503	NAVSHIPYDNOR PORTSMOUTH VA	9,019	110	82
2525	NAVSTA ROOSEVELT R PR	692	14	49
2534	CCPO PHILADELPHI PA	1,938	45	43
2558	FISC SAN DIEGO CA	4,315	106	41
2562	NAVSURFWARCENDI CRANE IN	5,663	56	101
2569	NAVFAC ARGENTIA CA	142	3	47
2614	NAVSURFWARCENDE SILVER SPRI MD	5,478	89	62
2636	NAVAVNDEP NORFOLK VA	7,838	99	79
2638	NAVACAD ANNAPOLIS MD	1,726	24	72
2700	NAVSUPTACT NAPLES IT	1,356	23	59
2748	NAVSTA GUAM GQ	3,840	49	78
2749	NAVSTA ROTA SP	302	12	25
2800	NAS LEMOORE CA	1,256	18	70
2805	MARCORPSHQ WASHINGTON DC	2,698	55	49
3231	NAVSURFWARCENDI PORT HUENEM CA	2,778	29	96
3232	MCB OKINAWA JA	716	18	40
3322	NSC CHARLESTON SC	2,344	26	90
3451	NAVACTSUK LONDON UK	452	24	19
4010	FLTACTSNAVBAS YOKOSUKA JA	1350	28	48
4011	MCAS IWAKUNI JA	103	4	26
4216	NAVSUBBASE BREMERTON WA	4,354	92	47
4219	NCCOSC RDT&EDIV SAN DIEGO CA	6,414	68	94
4221	PWC SAN DIEGO CA	4,439	55	81
4252	CCPO GROTON CT	4,183	59	71
4296	NAVSECGRU(SECGR WASHINGTON DC	1,334	24	56
4336	CCPOCRYSTAL WASHINGTON DC	8,276	174	48

a. We excluded two human resources offices—NAVCOMMSTA EXMOUTH AS, and NTC GREAT LAKES IL—because the data indicated that they had zero and one employee, respectively.

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- [3] United States Office of Management and Budget, *The Budget of the United States Government: Fiscal Year 1996*, Executive Office of the President, Washington, 1995
- [4] United States Office of Personnel Management, *Handbook of Occupational Groups and Series*, Washington, Sep 1992

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